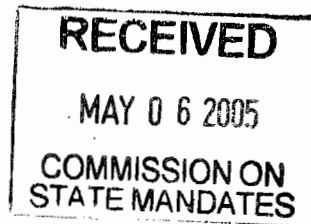


**DEPARTMENT OF
FINANCE****ARNOLD SCHWARZENEGGER, GOVERNOR**

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 6, 2005



Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

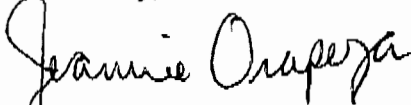
As requested in your letter of April 22, 2005, the Department of Finance has reviewed the Commission's draft staff analysis pertaining to reconsideration of the School Accountability Report Card (SARC) test claim (04-RL-9721-11), as directed by AB 2855 (Chapter 895, 2004). We concur with the Commission's draft staff analysis, and would not oppose inclusion of this item and its related Statement of Decision on a "consent calendar" for the Commission's May 26, 2005 hearing.

Additionally, please note that the Administration intends to pursue legislation requiring the Commission to also reconsider the portion of this test claim related to Chapter 912, Statutes of 1997. In our conversations with the Legislative Analyst's Office and legislative staff, it appears that the omission of this statutory reference from AB 2855 was inadvertent.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your April 22, 2005 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Pete Cervinka, Principal Program Budget Analyst at (916) 445-0328, or Jesse McGuinn, state mandates claims coordinator for the Department of Finance, at (916) 445-8913.

Sincerely,


Jeannie Oropeza
Program Budget Manager

Attachments

Attachment A

DECLARATION OF
DEPARTMENT OF FINANCE
CLAIM NO.

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. I concur that the sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

May 5, 2005
at Sacramento, CA


Pete Cervinka

PROOF OF SERVICE

Test Claim Name: School Accountability Report Card (SARC) Reconsideration
Test Claim Number: 04-RL-9721-11

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 7th Floor, Sacramento, CA 95814.

On May 6, 2005, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, Floor; for Interagency Mail Service, addressed as follows:

A-16

Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

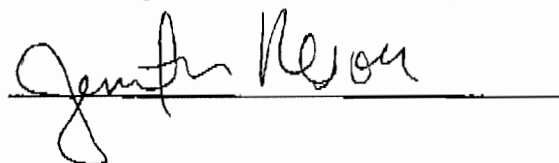
B-8

State Controller's Office
Division of Accounting & Reporting
Attention: William Ashby
3301 C Street, Room 500
Sacramento, CA 95816

B-29

Legislative Analyst's Office
Attention Marianne O'Malley
925 L Street, Suite 1000
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on May 6, 2005 at Sacramento, California.

A handwritten signature in black ink, appearing to read "Jennifer Nelson", is written over a horizontal line.